



AMERICAN BUSINESS CONFERENCE, INC.
A Coalition of Growth Companies

August 3, 1982

Honorable William J. Casey
Director
Central Intelligence Agency
Washington, D.C. 20505

Dear Mr. Casey:

I am delighted that you have agreed to meet with members of the American Business Conference on September 29th. I know how much this group of chief executive officers looks forward to meeting with you.

To keep you up to date on the activities of the American Business Conference, I have enclosed several articles from national periodicals noting the American Business Conference's continued support of President Reagan and his program.

Once again, the members of the American Business Conference are excited that you have agreed to accept our invitation for September 29th. If you or your staff have any questions, please do not hesitate to contact me directly.

Sincerely,

John M. Albertine
John M. Albertine
President

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Enclosures

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The Washington Post

FRIDAY, JULY 16, 1982

Chances for a Big Tax Hike Increase Sharply in Senate

By Thomas B. Edsall

Washington Post Staff Writer

Prospects for Senate passage next week of the largest tax hike in peacetime history have increased sharply because several key business groups now support the measure and efforts to mobilize Democratic opposition appear to be faltering.

In addition, some industries directly hurt by the tax bill, including banking, are holding back because the Senate Finance Committee chairman has threatened even more damaging tax measures if any of the existing proposals are killed on the Senate floor.

Although the measure takes back some of the business tax breaks enacted last year, the National Association of Manufacturers has sent a letter to senators supporting the "broad thrust" of the bill, and the American Business Conference has organized a coalition of trade and corporate groups to back the \$21 billion proposal.

Even the U.S. Chamber of Commerce, which has been the leader of business opposition to a tax increase of any kind, will not oppose the full bill, seeking instead to win some specific changes. "We're trying to be realistic about what can be done at this time," said Richard Rahn, the organization's chief economist.

Among Senate Democrats, an effort by Russell B. Long (D-La.) to build unified party opposition to the measure in its entirety or support for a major revision of the bill has encountered at best a lukewarm response.

Long has been considering a major revision of the tax bill that would eliminate the July 1, 1983, tax cut of 10 percent for those making more than \$40,000 a year. With those additional revenues, Long then would be able to eliminate sections of the bill calling for doubling the cigarette excise tax, adding 10 percent withholding of interest and dividend income, and reducing the deductibility of medical fees.

According to aides, Long believes that solid Democratic support is essential to any successful attack on the bill and, without it, he is unlikely to conduct a formal attack. "Sen. Long is many things, but he is not suicidal," an aide said, noting the Louisiana Democrat's deep aversion to losing on the Senate floor.

Although many business groups are supporting the measure on the Senate floor, and others are signaling that they don't intend to put up a strong fight, the likelihood remains that many of these same organizations will seek significant revision when the House Ways and Means Committee takes up the tax increase next week.

Much of the potential business opposition to the tax bill has been diffused by what amounts to a set of legislative threats by Senate Finance Committee Chairman Robert Dole (R-Kan.).

If elements of the bill are killed on the floor, Dole has a list of his own amendments that would jack up the corporate minimum tax and increase the proposed levies on the insurance and contracting industries.

A spokesman for the American Banking Association, which is opposed to 10 percent withholding on interest and dividend income, indicated that the organization may not try to have the section pulled on the Senate floor because of the possibility that "the next thing you are faced with is the minimum tax. . . . There is one scenario that suggests there could be that type of interplay."

A minimum tax set at 15 percent would be a major burden on many banks.

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NEWS RELEASE

AUGUST 3, 1982

AMERICAN BUSINESS CONFERENCE

CONTINUES TO SUPPORT

THE BUDGET PROCESS

"While it is unusual for a business organization to support a tax increase, the American Business Conference continues to support Congressional action to reduce the enormous and growing future federal deficits," says John M. Albertine, President of the American Business Conference. "That means we urge the Congress to pass a tax bill quickly and begin to zero in on the spending side of the federal ledger."

If the tax bill reported out of the House-Senate Conference Committee is defeated on the House floor, the entire budget process is likely to come to a screeching halt. That is why the American Business Conference, along with most business organizations, has refused to join any effort to kill the tax bill.

The members of the American Business Conference have some reservations about a number of the provisions in the Senate passed bill, and we are working vigorously to persuade the Conference to improve it. Nevertheless, we led the fight for the enactment of the tax bill in the Senate, and we intend to play the same role in the House.